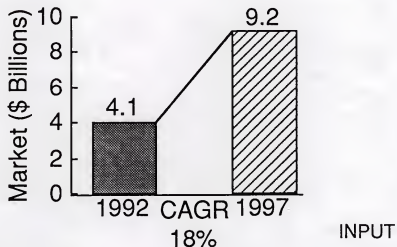


Impact of Downsizing on Systems Integration Market

John Willmott
Consultant



Systems Integration Market—Europe, 1992-1997



E-SI-113

Notes

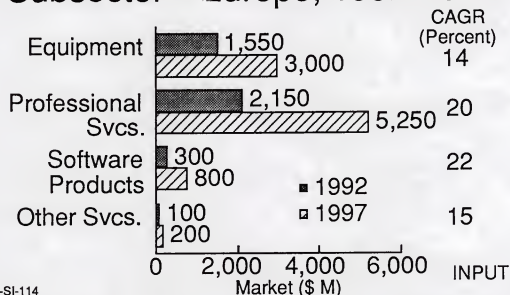
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Systems Integration by Subsector—Europe, 1992-1997



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Notes

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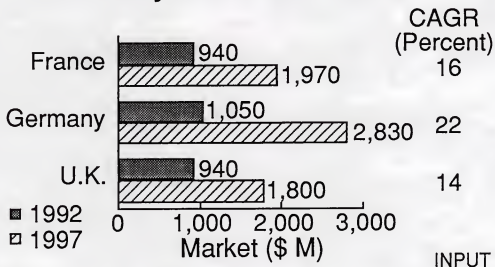
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Systems Integration, Europe

Country Market Growth



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Notes



Software and Services, Europe

Seeking Cost Reductions for IT

- Downsizing
- Outsourcing
- 80% solutions

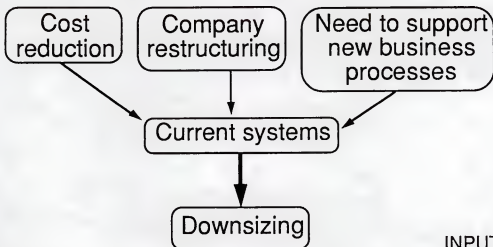
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Notes



Driving Forces Downsizing, Europe



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Notes

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SI Projects by Equipment Type—Europe, 1991

Equipment Type	% of Contracts	Value (\$ M)
Mainframe	28	1,000
Proprietary midrange	15	500
UNIX-based midrange	35	1,200
PC or PC/LAN	22	800
Total	100	3,500

INPUT

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Notes

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Systems Integration, Europe

Major Purchasing Influence, 1991

Major Purchasing Influence	Share of Total Mkt. (%)	Value (\$ M)
IS director or managers	40	1,400
CEO or end user management	60	2,100
Total	100	3,500

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E-SI-100

Notes



Who Drives Downsizing?

Personnel	Degree of Influence
CEO	Medium
Finance director	High
IT director/DPM	Low

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Notes



Case Study 1

Impact on IS Systems

- Phase 1—Replacement of commercial and financial systems
- Phase 2—Complete computer-integrated processing
- Current emphasis—Cost reduction and customer service

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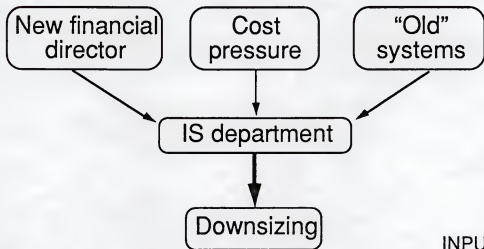
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Notes



Case Study 2

Reasons for Downsizing



E-SI-120

Notes



Changing Role of IS Department/Downsizing, Europe

- Developing closer relationships with user departments
- Greater decentralization
- More emphasis on business/systems analysis
- Less emphasis on systems development

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Notes



Changing Role of End Users

- Acquiring control of IS strategy
- A major force in applications software product selection
- Taking over the IS budget

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Notes

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Mainframe Downsizing, Europe

Target Architectures

Architecture	Percentage	Trend
IBM AS/400	40	Decreasing
UNIX-based	35	Increasing
Other proprietary	25	Decreasing rapidly

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E-SI-112

Notes



Impact of Downsizing on IS Budgets

Service Component	Expenditure Trend
Equipment	Large decrease
In-house IS personnel	Large decrease
Consulting services	Increasing

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Notes



Impact of Downsizing on IS Budgets

Service Component	Expenditure Trend
External custom SW development	Small increase
Application SW products	Large increase
Network integration	Increasing

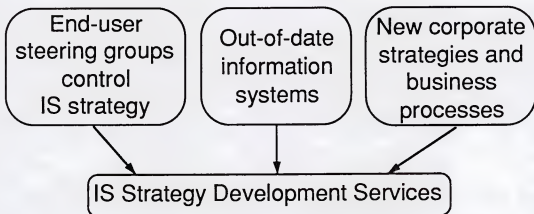
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Notes



Driving Forces—IS Strategy Development Services



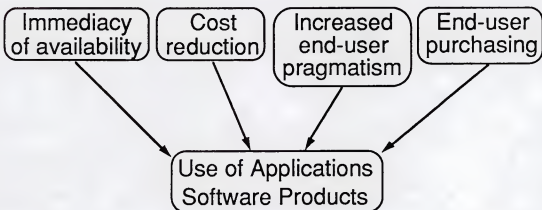
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Notes



Driving Forces—Increased Use of Applications SW Products



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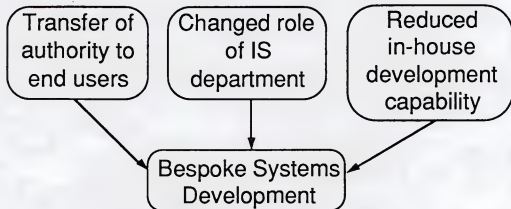
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Driving Forces—Bespoke Systems Development



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Notes

the 1990s, the number of people in the UK who are aged 65 and over has increased by 1.5 million, and the number of people aged 75 and over has increased by 1.2 million (Office for National Statistics 2000). The number of people aged 65 and over is projected to increase to 6.5 million by 2020, and the number of people aged 75 and over to 4.5 million (Office for National Statistics 2000).

There is a growing awareness of the need to develop services to meet the needs of older people, and a number of initiatives have been launched to address this need. The Department of Health has launched the 'Ageing Well' initiative, which aims to improve the lives of older people by providing them with the services and support they need. The initiative includes a number of measures, such as increasing the number of health visitors working in the community, and providing training for health visitors in the care of older people.

The 'Ageing Well' initiative is part of a wider strategy to improve the lives of older people, and a number of other initiatives have been launched to address this need. The 'Ageing Well' initiative is part of a wider strategy to improve the lives of older people, and a number of other initiatives have been launched to address this need. The 'Ageing Well' initiative is part of a wider strategy to improve the lives of older people, and a number of other initiatives have been launched to address this need.

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Systems Integration, Europe

Market Segmentation, 1991

Market Segment	Share of Total Mkt. (%)	Value (\$ M)
Networking/infrastructure development	26	900
Application/business solutions	74	2,600
Total	100	3,500

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Notes

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Impact of Downsizing on Systems Integration Market

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